

Super Circular – New Regulations for All Federal Funds

New regulations only apply to grants/programs funded with IMLS funds received after **12/26/14**, i.e., with the use of our 2015 LSTA award.

Goals:

- Streamline guidance & ease administrative burden.
- Strengthen oversight to avoid waste, fraud, and abuse.
- Get more bang for the buck – more achievement for less cost.

Key language changes –

- **must** denotes an obligation
- **should** indicates best practices

New!

Focus on **Risk Assessment**: We must assess both the merit and risk of potential grantees. We need a standard method to analyze:

- Financial stability.
- Quality of management.
- Performance history.
- Audit reports and findings.

New!

All parties must have a **Conflict Of Interest Policy** (both non-profit and for profit).

- Cannot award grant to sub-recipient if the preparer benefits directly.
- Mandatory disclosure in writing of all violations of Federal criminal law.

New!

Stepped up **Monitoring** and controls.

Grantee

- Must establish and maintain internal controls
- Must comply with all federal statutes, regulations, terms and conditions.
- Must evaluate and monitor internal controls.
- Must take **prompt** action on findings.

Sub-recipient

- Must provide grant management training to sub-recipients
- Must monitor: desk or site visits
 - Compliance with rules and regulations
 - Meeting grant goals and objectives.
 - Sub-recipient must provide a copy of audit findings.
 - We must take action when warranted: suspension or termination.
- Must allow sub-recipient to receive **indirect** costs.
 - These are approved rates negotiated by federal government
 - If there is no negotiated rate, 10% de minimus will apply
- Sub-recipients must have written policies equal to or more restrictive than state and federal.
 - Established internal controls
 - Drug free workplace policy
 - Whistle blower policy
 - Purchasing procedures